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INDUSTRIAL PRODUCTION FIGURES FOR THE FIRST QUARTER OF 1988

Product	1st Quarter 1988	1st Quarter 1988 as a % of 1st Quarter 1987
Electricity (billion kw hrs)	468	103%
Petroleum (million tons)	156	102
Natural Gas (billion meters^3)	197	108
Coal (million tons)	202	103
Steel (million tons)	41.0	102
Fertilizer (million tons)	9.3	104
Metal-cutting tools (thousand units)	5.3	102
Robots	*	*
Computer tech. (billion rubles)	1.4	116
Tractors (million hp)	13.5	100.9
Paper (million tons)	1.6	105
Cement (million tons)	34.4	103
Meat (million tons)	3.1	102
Margarine (thousand tons)	433	103
Watches (million units)	18.2	108
Radios (million units)	2.0	103
TV sets (million units)	2.4	122
Automobiles (thousand units)	331	99.5

* not published

Source: Ekonomicheskaia gazeta, # 18, 4/88, p. 20

LIVESTOCK HERDS (million head)

Herd	04/01/87	04/01/88	1988 as % of 1987
Cattle	98.2	96.7	98.4%
Cows	29.2	28.8	98.6
Hogs	59.9	58.1	96.99
Sheep & Goats	134.8	135.7	100.6
Chickens	785.5	793.7	101.0

INDUSTRIAL PRODUCTION FIGURES FOR THE FIRST QUARTER OF 1988

As usual the last few months, the production figures contain some good news and some bad news for Gorbachev. The good news is that the overall reported figure for produced national income rose 4%. That is above what it had been earlier. Similarly, industrial production is reported to have risen 5%.

However, as promising as the combined figures are, the individual production figures suggest that there are recurring production problems in the system. March was not a particularly good month. For example, oil production in March 1988 was the same as it was in March 1987, despite the fact that the statistics report that oil production for the whole quarter was up 2%. That increase is due primarily to production in January and February. Even more striking, electricity generation rose by only 1% in March, while for the whole quarter it rose 3%. The gas production increase was a little better -- it rose 6% on a month by month basis, compared to an overall increase of 8%. Coal production rose 3% on both a monthly basis and a yearly basis. However, steel production on a March by March basis was actually down 7%, although for the quarter as a whole, it was up 2%. That suggests some very serious difficulties. Similarly, cement

Gorbachev's main concern, of course, is to improve the availability of consumer goods. Here again the results are mixed. While sales of meat rose 3%, sale of fish was constant. More disturbing was the fact that sale of potatoes to the population through state stores was down 5% from what it had been the preceding year, which was also not a good year, and that vegetable sales were down by 4%. Even more striking is the fact that fruit and citrus product sales were down by 24%. Sales of automobiles were down 4%. Conversely, the sale of gasoline was up by 30%. In other words, the picture is quite mixed, but in the areas where it counts, in terms of basic food products, there still is very little to show. Following the bad year of 1987, this suggests that Gorbachev still has lots of problems in front of him.

LIVESTOCK HERDS

As the figures indicate, the size of the livestock herds on April 1, 1988 fell relative to what it was on April 1, 1987. For example, the stock of cattle fell by 2%, cows by 1.4%, pigs by 3%. In contrast, the chicken flocks rose by 1% and sheep and goats by 27%. If Gorbachev is to improve food availability, he is going to have to do more about building up the livestock herds. There is a long road ahead.

RUSSIAN RESEARCH CENTER PROGRAM IN THE USSR

We are pleased to announce that the response to the Center's trip to the USSR this fall has been overwhelming. The original thirty slots available have been filled, and we have started a waiting list, just in case some positions open up. We will continue to accept names for the list, and if you would like information about the trip, please contact Catherine Reed, Russian Research Center, 1737 Cambridge Street, Cambridge, MA 02138 (617)495-4038.

FOREIGN EXCHANGE RATES

Currency (per 100)	Rate on 04/06/88
Austrian shilling	5.06
English pound	111.42
West German mark	35.64
Italian lira	.481
U.S. dollar	58.96
French franc	10.51
Swiss franc	43.37
Japanese yen	.0477

BALANCE OF TRADE FIGURES

The Soviets have released the balance of trade figures for 1987. There are some very striking developments. The Soviets increased their exports by over a billion rubles. Given the fact that petroleum has traditionally constituted the major export commodity, and also given the fact that the price of petroleum is low, that suggests that the Soviets increased the volume of their exports. They had been doing that recently as we noted in an earlier newsletter this year.

Equally striking is the fact that they reduced their imports. Imports fell by 1 billion rubles in their dealings with the West European countries and Japan. Because they also reduced their grain imports, particularly from the USA, Canada, and Australia, their total imports fell by 1.5 billion rubles. That is the equivalent of about $2 billion at the arbitrary exchange rate established by the Soviets. As a consequence, they ended up with a trade surplus in the hard currency countries. The same trend follows if Finland is included.

These developments are very suggestive. They indicate that Gorbachev has not been relying on imports from the hard currency world to provide more machinery or consumer goods. Nor does it look like they have been relying much on increased borrowing to finance all this. If anything, they seem to have put prime emphasis on reducing the trade deficit rather than providing more goods for either future production or more consumption. Given the fact that there is a lot of grumbling within the Soviet population over consumer good shortages, this does seem to be a most unusual strategy.

The year-end figures offer an opportunity to reflect on the very significant change in export and import flow. For example, between 1984 and 1987, Soviet exports dropped by over 6 billion rubles. At the same time, imports dropped by slightly more than 3.3 billion rubles. In large part that is a reflection of the drop in the price of petroleum, but it suggests that the Soviets have also been cutting back in other ways as well.

BALANCE OF TRADE 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987
(Millions of Rubles)

	EXPORTS FROM THE USSR									IMPORTS TO THE USSR								
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1979	1980	1981	1982	1983	1984	1985	1986	1987
Austria	442	580	854	675	566	761	805	540	431	368	396	507	535	787	891	859	852	600
Belgium	533	842	747	1032	991	1198	858	627	738	286	383	450	573	611	501	581	422	366
Gr.Brit	1094	859	645	813	1185	1393	1218	1274	1586	811	953	858	752	632	819	684	515	524
Greece	180	409	538	533	533	582	594	219	242	65	92	100	122	155	102	134	65	71
Denmark	301	261	252	300	290	334	271	136	137	72	80	208	64	65	115	127	131	76
Spain	152	251	274	159	300	333	235	124	498	144	152	375	166	250	307	353	173	159
Italy	1292	2111	2484	2821	2998	3156	2468	1581	1804	863	934	1002	1222	1436	1325	1325	1474	1686
Nthlnds	903	1027	1019	1505	1224	1612	987	576	781	243	361	458	359	489	276	313	245	232
Norway	87	49	52	93	80	129	104	52	64	51	79	96	72	102	80	73	69	62
Germany	2218	3096	3635	4065	4067	4536	4251	2879	2492	2485	2989	2703	2913	3360	3376	3243	2968	2676
France	1426	2242	2525	2228	2422	2447	2174	1541	1518	1198	1510	1665	1268	1728	1777	1603	1130	1090
Swtzlnd	314	445	331	533	510	541	384	287	344	276	403	497	411	345	410	567	456	540
Sweden	554	355	291	409	652	563	492	298	427	223	322	347	345	255	272	306	245	225
Japan	944	950	817	757	825	840	928	980	973	1661	1773	2213	2926	2176	2054	2287	2205	1628
SUB TOTALS	10528	13568	14610	15988	16683	18469	15769	11114	12035	8781	10464	11516	11771	12429	12358	12455	10950	9935
Sub-Balance of Trade										+1747	+3104	+3094	+4217	+4254	+6111	+3314	+164	+2100
Argntna	25	30	31	28	26	26	62	53	41	289	1162	2372	1265	1300	1104	1230	192	417
Brazil	20	22	16	180	107	95	70	30	46	160	253	534	416	591	373	380	236	252
U.S.A.	350	151	183	155	331	306	326	313	279	2487	1352	1662	2072	1570	2829	2376	1146	919
Canada	32	30	50	21	24	19	18	10	47	453	972	1377	1378	1278	1403	949	624	449
Australia	5	6	11	14	12	22	14	8	12	393	775	538	510	404	481	532	509	348
N Z	3	3	7	8	6	8	4	5	6	114	167	168	230	179	49	87	89	68
TOTAL	10963	13810	14908	16394	17189	18945	16263	11533	12466	12677	15145	18167	17642	17751	18597	18009	13746	12388
Balance of Trade										-1714	-1335	-3259	-1248	-562	+348	-1746	-2213	+78
Finland	2023	2024	2290	2396	2483	2421	2299	1595	1707	1865	1865	2723	2798	2690	2312	2687	2378	2036
	12986	15834	17198	18790	19672	21366	18562	12138	14173	14542	17010	20890	20440	20441	20909	20696	16124	14424
Balance of Trade with Finland included										-1556	-1176	-3692	-1700	-769	+457	-2134	-2996	-251

Wide Bitterness at Gorbachev's Glasnost Shouts Through

By MARSHALL I. GOLDMAN

Much as we have become accustomed to surprises in the era of *glasnost*, the outspokenness of the letter that appeared in Sovietskaya Rossiya on March 13 was unexpected.

This unabashed criticism of *glasnost* and the political changes taking place in the Soviet Union—and thus, by extension, an outright attack on Soviet leader Mikhail S. Gorbachev himself—genuinely reflected the bitter resentment of a large section of the Soviet population. Signed by Nina Andreyeva, a chemist from a Leningrad technical institute, it lamented the fact that *glasnost* has gone beyond the original agenda and now is undermining almost everything the Soviet people have come to hold sacred. Heroes are now being vilified; what was clean and pure has become dirty and corrupt.

Andreyeva expressed shock that, among other things, one of her students had the audacity to ask a speaker from the military about "political repressions in the (Soviet) army." What, she wanted to know, has the Soviet Union come to when revered institutions like the army are attacked this way? Others, she hears, imply that the Soviet Union has suffered from "terrorism," "spiritual slavery," "universal fear" or "a dominance by boors in power." There now are calls for "pluralism." No wonder that she finds her students succumbing to "nihilism," "ideological confusion and a loss of political bearings."

"He's just been doing the revised Stalin period at school."

PUNCH

The letter was unusual, not only because an important newspaper that speaks for the Communist Party and the Russian republic should devote a full page to it, but because many of the sentiments it contained had a familiar ring.

Attacks on pluralism and undue concern over repression were sounded in an August speech by Yegor Ligachev, the No. 2 in the Politburo, as well as a September speech by V. M. Chebrikov, the head of the KGB. Both men bemoaned the fact that it had become fashionable to criticize Josef Stalin and the 1930s. As Ligachev put it, "Those were the years when the Soviet Union reached second place in terms of industrial volume of output, conducted collectivization of agriculture and scaled unprecedented heights in the development of culture, education, literature and art."

In her March letter, Andreyeva reiterated Ligachev's complaints and—using virtually identical language—protested that all of this comes from attacks on the "personality cult" and that "persistent demands for repentence are being made of Stalinists." "Repentence," of course, is also the title of a widely shown movie that attacks Stalin. The fact that the movie has been put in such broad circulation is seen as a Gorbachev initiative to generate criticism of Stalin.

But attacks on Stalin seem to delineate as much as anything the differences between the reformers and the anti-reformers. Thus Andreyeva writes that "today hardly anyone is disturbed by the personality qualities of Peter the Great." During his rule, "Russia became a great European power." Some day the same will be said of Stalin, she notes, so why the self-hating?

Andreyeva implies that much of the initiative for this campaign comes from foreigners and from Soviet "cosmopolitans," a word that in the last days of Stalin came to mean a Jewish-inspired cabal. Andreyeva uses it in the same context. Moreover she finds it hard to believe that no one else seems critical any more of the kulaks (successful farmers until collectivization), NEP-men (private businessmen under Lenin's New Economic Policy) and for that matter capitalism itself. One of her students went so far as to insist "that the class struggle is supposedly an obsolete term, just like the leading role of the proletariat." No wonder Andreyeva is disoriented.

Andreyeva's letter was finally rebutted by an equally long article on April 15 in the even more authoritative Pravda. But the Pravda reply indicates how far the Soviet Union has to go before there is real *glasnost* in the Soviet Union. It took three weeks for the reply to appear. In the interval, there was panic among those in favor of reform.

Why no answer? Gorbachev was in Yugoslavia for part of the time and no one else was brave enough to counterattack. In the meantime the Andreyeva letter was widely reprinted in the Soviet Union and in East Germany, the Eastern European country most hostile to *glasnost*. In the Soviet Union, study sessions were organized to discuss the correctness of the Andreyeva view. The Leningrad party organization was particularly enthusiastic, and issued a special TV documentary reporting mass support for the Andreyeva letter.

As disturbing as the Andreyeva letter was, there is no doubt that it represents the feelings of a large segment of the Soviet population. So in order to assure that everyone knew who had won the battle, Sovietskaya Rossiya was forced to acknowledge defeat and reprint the Pravda attack on the Andreyeva letter.

Understandably, supporters of reform needed a sign that *glasnost* would continue. But it should have been enough for Pravda to simply print a response to the Andreyeva letter. The fact that no one felt brave enough to respond until Gorbachev himself took the initiative, and that Sovietskaya Rossiya had to print a rebuttal, suggests that *glasnost* is not deeply rooted. In fighting for such a policy of openness, it seems as if Gorbachev is not just the tip of the iceberg, but the whole iceberg.

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